Ministry of
Energy and Mines

SERVICE PLAN
2002/2003 – 2004/2005

Ministry of Energy and Mines

February 2002

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A *New Era* of Government Service

Three-year Service Plans represent an important part of the government's commitment to open and accountable government. In August 2001, the government amended the *Budget Transparency and Accountability Act* to require government to table a three-year Strategic Plan and annual three-year service plans for ministries and government organizations with the provincial budget. These Plans will ensure government and its individual ministries clearly outline their goals, and enable British Columbians to hold government accountable for its decisions and actions.

The government's Three-Year Strategic Plan articulates the government's vision: *British Columbia is a prosperous and just province, whose citizens achieve their potential and have confidence in the future.* It also establishes three strategic goals that are key to achieving the government's overall vision:

- A strong and vibrant provincial economy
- A supportive social infrastructure
- Safe, healthy communities and a sustainable environment

This Service Plan details the Ministry of Energy and Mines mission and objectives, which support the government's strategic goals. The Service Plan also includes performance measures that will be used to assess the Ministry's progress in achieving its objectives. Ministry objectives and performance measures are a new initiative. In some cases, as planning progresses, performance measures will become more detailed as they are further developed.

After the end of each fiscal year, the ministry will prepare a Service Plan Report that will describe actual accomplishments for the year just completed. The Report will include a comparison of planned and actual results, from both a financial and performance measure perspective and allow the public to assess the government's performance.

In the years ahead, Service Plans and Service Plan Reports, prepared by government ministries and organizations, will become the key tool by which government will manage public resources to ensure government programs are contributing, in a measurable way, to key government priorities in an efficient and effective manner.

The government's Three-Year Strategic Plan and Ministry three-year Service Plans will guide the reform of the province's public services so they meet British Columbians' needs. Measures to revitalize economic prosperity and protect and renew public services will lay the groundwork for a future of new opportunity for all British Columbians.

Accountability Statement

The 2002/03 – 2004/05 Ministry of Energy and Mines Service Plan was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared. The plan was developed in the context of the government's *New Era* commitments which are to be addressed by May 17, 2005. All material fiscal assumptions and policy decisions as of January 28, 2002 have been considered in preparing the plan and I am accountable for achieving the specific objectives in the plan.

Honourable Richard Neufeld
Minister of Energy and Mines

February 6, 2002

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Introduction

The past year has seen unprecedented growth in the development of oil and gas resources in the province, as well as a one-time increase in revenue from trade in electricity. These developments have provided significant benefits to all British Columbians, including direct and indirect employment opportunities and energy-related government revenue windfall that helped to support health, education and other important services. However, despite a modest increase in exploration expenditures over the past year, the mining sector continues to face significant challenges. Over the next year, the Ministry of Energy and Mines will renew efforts to revitalize this important sector of the economy, while also working to build on the strength of the energy industry.

This year will also be significant for the ministry because of the release of government's new energy policy. The ministry will play a key role in implementing and acting upon this policy, which may necessitate changes to this Service Plan. Also, a decision regarding the development of offshore oil and gas resources could impact this plan.

Despite poor global economic performance, the performance targets outlined in this plan are considered realistic and attainable, reflecting the considerable economic potential in British Columbia's energy and mining sectors. While there are factors beyond our control, particularly with respect to commodity prices, the plan will guide ministry operations to ensure long-term sustainable development of British Columbia's energy and mineral resources.

A. Strategic Context

1. Vision

The Ministry of Energy and Mines serves as the catalyst and facilitator for developing thriving, sustainable and competitive energy and mineral resource sectors for the benefit of all British Columbians.

2. Mission

The Ministry of Energy and Mines promotes British Columbia's resource investment opportunities, and fosters a competitive investment climate, which encourages responsible development of energy and mineral resources, supports job creation, and ensures environmental protection and public and worker health and safety.

3. Core Values/ Principles

The following values and principles define the ministry's management style and govern the way it makes decisions. They guide ministry staff in interacting with each other, the private sector and other stakeholders.

• Advocacy	• The ministry promotes the economic development of British Columbia's energy and mineral resources to create prosperity for the benefit of British Columbians. • The ministry represents the interests of the energy and mineral sectors to broader stakeholder groups and assists those sectors' responsible development. • The ministry informs the government, industry and citizens of the province of the benefits of responsible resource development.
• Integrity	• The ministry is committed to developing the province's energy and mineral resources in a fair and responsible manner, while protecting health, safety and the environment.
• Transparency	• The ministry ensures its regulations and processes are applied in a fair and open manner, and that related and relevant information is adequately communicated to its stakeholders and the general public.
• Responsiveness	• The ministry strives to respond to the needs of its stakeholders in a timely and effective manner.
• Efficiency	• The ministry strives to deliver its programs and strategies in the most efficient manner to enhance British Columbia's competitiveness as a resource investment location.
• Accountability	• The ministry is accountable to government and the public and strives to ensure that its actions deliver the results put forth in its Service Plan.

4. Planning Context

The planning context is an assessment of external and internal forces that can have a significant impact on the ministry's ability to deliver results. It provides the ministry with specific information to prepare for future actions. This section first identifies the general economic trends in British Columbia. It then identifies some key opportunities and challenges that will affect the energy and mineral sectors. Last, this section identifies internal government factors that will affect the ministry's operations.

General Economic Overview

The global economy grew rapidly during much of the 1990s. Canada's largest export market and trading partner, the United States, was particularly buoyant.

British Columbia's exports to the United States are primarily commodities and demand has been strong in recent years, particularly in the areas of softwood lumber, natural gas and electricity. Strong energy prices meant oil and gas exploration

surged and exceptional new fields such as Ladyfern in Northeastern British Columbia were the centre of industry activity. Market restructuring in the Pacific Northwest electricity sector has provided for the growth of independent power producer project development as well as expanded trading opportunities. Unfortunately, British Columbia's mining sector was not part of this growth and the sector shrank as a proportion of British Columbia's gross domestic product (GDP).

The global economy began slowing during the last half of 2000 beginning in Asia and spilling over to Europe and the United States early this year. Demand for commodities has slowed resulting in lower prices and reduced volumes of exports. Company earnings have generally fallen each quarter this year reducing investor confidence and resulting in significant declines in all major market indices. Consumer confidence has also diminished especially following the terrorist attacks of September 11, 2001 that continue to have an enormous economic cost, including reduced spending and demand.

British Columbia has been significantly impacted by this slowdown. Falling commodity prices and softening export markets have meant that British Columbia's growth has been weaker than expected, with growth of 0.7% forecast for 2001. However, in light of continuing slow global economic activity, British Columbia's economy is forecast to grow by 0.6% in 2002, with strong growth delayed until late 2003 and 2004.

Key Opportunities

- **Investment:** British Columbia has some of the most attractive natural resource opportunities in the world, but these alone will not attract investment even in a strong economy. Information about the changes being made to ensure British Columbia is more competitive needs to be aggressively marketed to the investment community. Investment in electricity is more regional. Given ongoing changes in the structure of the market, British Columbia is well positioned to take advantage of new electricity generation opportunities by independent power producers to serve both domestic and export markets.
- **Taxation:** Tax reductions implemented this year and next improve British Columbia's competitive position. British Columbia's corporate income tax, corporate capital tax and sales tax related to the energy and minerals sectors are now at or near Alberta's rates, and are more competitive than most other Canadian jurisdictions.
- **Underdeveloped Resource Potential:** British Columbia has an enormous underdeveloped resource base potentially worth billions of dollars. Undeveloped resources include: coalbed methane, offshore oil and gas, tight gas, interior basins and marginal resource plays.
- **Mining Activity:** The province's mining industry has recently experienced considerable difficulty as weak market prices and mine closures contributed to lower levels of exploration, declining employment and lower tax payments. However, a more competitive climate and greater land use certainty will attract industry back to British Columbia and provide significant growth potential for the coal, industrial mineral and metals mining sectors.
- **Electricity:** Demand growth is strong and the market is changing rapidly. Not only will there be ample opportunity for project development in traditional fuels (e.g. hydroelectric, natural gas and coal) and renewable energy (see below), but British Columbia also has an opportunity to influence the structure of the western market to maximize its electricity export and revenue potential.

- **Alternative Energy:** A high level of expertise exists in British Columbia in many application areas including energy sources (e.g. hydro power, wind, solar light/heat, ocean waves/tides, biomass, geothermal energy) and energy technologies (e.g. fuel cells, solar panels, turbines and clean coal technology).

Key Challenges

- **Market Access:** The September 11, 2001 terrorist acts continue to have an impact on cross-border access into United States markets. Security provisions will increase in Canada and the United States. During this transition period there may be some additional impact on British Columbia exports and jobs. Barriers to trade such as lack of adequate capacity in transportation corridors will be exacerbated by new security requirements. British Columbia will have to work with its neighbouring states and provinces to remove technical barriers while ensuring safety and security are maintained.
- **First Nations Relations:** Uncertainty due to unresolved Aboriginal land claims and treaty negotiations is a barrier to investment in resource development. In some cases, projects have additional operational challenges because of the expertise needed to negotiate with bands.
- **Labour Shortages:** In certain occupations and geographic locations in the province, employers are finding it difficult to attract skilled workers. For instance, in the oil and gas industry an increase in the number of drilling rigs has not been met with an increase in skilled labour needed to operate these rigs.
- **Land Access and Security of Tenure:** The current land-use planning process creates a high level of uncertainty and inhibits business planning activities. Greater access and tenure security is needed for mineral and energy activities.
- **Consolidation in the Oil and Gas Industry:** The recent purchase by Burlington Resources (head office in Texas) of Canadian Hunter continues the consolidation of Canada's oil and gas industry.
- **International Policy and Regulatory Influences:** In May 2001, the United States released its National Energy Policy paper, and is developing comprehensive electricity legislation. These could significantly affect trading relationships. British Columbia will need to engage Canadian and American counterparts to ensure its view is considered.

Internal Factors

The main internal factors affecting the ministry over the next three years will be:

- **New Organizational Model:** The resource industries are global and dynamic with different planning timeframes than those of government. In order to address industries' needs more efficiently, and implement changes as a result of the Core Service Review process, management time and effort will be devoted to dealing with staffing issues and developing an organizational model that is capable of being more responsive and flexible.
- **Ageing Ministry Workforce:** Like other ministries across government, the Ministry of Energy and Mines, is facing a demographic challenge as a result of its ageing workforce. It is anticipated that up to 35 staff will be eligible for retirement between 2001 and 2005. This will be followed by a significant incease in retirements from 2006 onwards when approximately 10 staff become eligible for retirement each year.
- **Inter-Ministerial Cooperation and Coordination:** A number of proposed strategies require the cooperation of other agencies and ministries. For instance,

some of the proposed technology infrastructure development strategies to streamline the regulatory process and enhance British Columbia's resource competitiveness will be developed in conjunction with Web-based applications being developed by the Ministry of Sustainable Resource Management.

- **Reduced Resources:** In order to maintain operational effectiveness with reduced resources, it will be necessary to implement strategies, such as one-window permitting and results-based regulations, as quickly as possible.

B. Goals and Core Business Areas

This section of the Service Plan identifies the goals that the ministry expects to achieve to fulfill its vision and mission. It also describes the ministry's core businesses, and links them to the ministry's objectives and strategies.

5. Goals of the Ministry of Energy and Mines

The ministry has three long-term goals for moving towards its vision of being: "*the catalyst and facilitator for the development of thriving, sustainable and competitive energy and mineral resource sectors for the benefit of all British Columbians.*"

1. **To increase investment in energy and mineral resource development in British Columbia.** This goal focuses on implementing strategies that will make British Columbia a more globally and regionally competitive investment location, and in so doing increase direct investment in the energy and mineral sectors. Strategies will be designed to make investing in British Columbia's resource sectors more efficient, cost-effective and certain.
2. **To maintain high environmental, and health and safety standards.** This goal focuses on ensuring resource exploration and production activities are carried out in accordance with environmental standards and health and safety requirements.
3. **To be a responsive, adaptable and accountable organization.** This goal focuses on developing an organizational structure that will enable the ministry to respond to changing business environments, as well as support staff in the delivery of their functions.

6. Core Businesses of the Ministry of Energy and Mines

The following will be the ministry's core business areas:

1. **New Ventures.** Administers programs developed under Oil and Gas Initiatives 1 and 2.
2. **Energy and Minerals.** Provides for the management of the province's petroleum, natural gas, coal, geothermal and mineral resources and for the regulation of the industries that explore and develop those resources.
3. **Resource Development.** Provides for the evaluation, strategic planning and policy development with regard to the province's electricity, alternative energy, mining, oil and gas and other subsurface resources.
4. **Corporate Services.** Administrative and ministry executive support, including Deputy Minister's office and communications services.

7. Objectives and Strategies

The following tables identify the ministry's goals, objectives and strategies.

Goal #1: To Increase Investment in Energy and Mineral Resource Development in British Columbia		
Core Business	**Objectives**	**Strategies**
New Ventures/Energy and Minerals	Double oil and gas production in B.C. by 2011.	• Develop and implement regulatory processes to provide clarity, certainty and timely access to the land base for resource development. • Enhance one-window regulatory authority for oil and gas.
Energy and Minerals/Resource Development	Generate $20 billion worth of cumulative investment in the oil and gas sector by 2008.	• Develop and implement a marketing strategy to promote B.C.'s resource investment opportunities. • Participate in relevant investment-related trade missions. • Promote B.C.'s resource investment opportunities to major oil and gas producers that do not currently operate in B.C.
Energy and Minerals	Stimulate and facilitate initial coalbed methane production.	• Develop and implement a competitive regulatory framework and royalty regime to facilitate CBM production. • Continue development of CBM databases and geoscience projects.
	Increase mining exploration and development activity.	• Expedite permit issuance by implementing a one-window permitting authority for mining. • Continue development and refinement of mining strategy to stimulate exploration and development.
	Increase mining exploration and development activity.	• Provide for mineral access and development requirements in all land planning initiatives. • Develop and deliver projects to increase opportunities for First Nations in subsurface and resource development. • Enhance mineral title administration by moving toward a map selection system.
Resource Development	Stimulate investor interest in B.C.'s alternative energy sectors.	• Develop and implement a strategy to position B.C. as a center of expertise for the development of certain key alternative energy technologies.
	Implement components of government's energy policy pertaining to electricity.	• Once government's energy policy is released, develop strategies to implement those components of the energy policy pertaining to electricity.

Goal #2: To Maintain High Environmental and Health and Safety Standards		
Core Business	**Objectives**	**Strategies**
Energy and Minerals	Maintain high environmental and health and safety standards.	• Complete site inspections at all mines. • Conduct health and safety inspections at each mine. • Implement risk-based reclamation security guidelines. • Publish baseline and trend information on energy and mineral sector emissions intensity. • Develop regulatory and fiscal regime to encourage safe disposal of acid gas. • Implement royalty exemption for "otherwise flared" gas. • Define mitigation strategy for coalbed methane production environmental issues.

Goal #3: To be a Responsive, Adaptable and Accountable Organization		
Core Business	**Objectives**	**Strategies**
Corporate Services	Implement a responsive, adaptable and accountable organization.	• Review alternative service delivery models and implement the preferred organizational structure. • Implement new organizational model.

C. Performance Measures and Targets

The following tables identify the ministry's performance targets for each objective for the next three fiscal years. These targets measure the ministry's degree of success in achieving its goals and objectives.

Goal #1: To Increase Investment in Energy and Mineral Resource Development in British Columbia				
Objectives	**Performance Measures**	**Performance Target 2002-2003**	**Performance Target 2003-2004**	**Performance Target 2004-2005**
Double oil and gas production in B.C. by 2011.	• Achieve a 33% increase in oil and gas production by the end of 2004/2005 • Achieve a 20% increase in oil and gas exploration (drilling) activity annually for the next three years	• Achieve a 10% increase in oil and gas production over 2001/02 levels • Achieve a 20% increase in oil and gas exploration (drilling) activity over 2001/02 levels	• Achieve a 10% increase in oil and gas production over 2002/03 levels • Achieve a 20% increase in oil and gas exploration (drilling) activity over 2002/03 levels	• Achieve a 10% increase in oil and gas production over 2003/04 levels • Achieve a 20% increase in oil and gas exploration (drilling) activity over 2003/04 levels
Generate $20 billion worth of cumulative investment in the oil and gas sector by 2008.	• Increase investment in the oil and gas sector	• Generate $3.3 billion worth of investment in oil and gas	• Generate $3.3 billion worth of investment in oil and gas	• Generate $3.3 billion worth of investment in oil and gas
Stimulate and facilitate coalbed methane (CBM) production.	• Commence commercial CBM production	• Commence drilling exploratory CBM wells	• CBM experimental scheme goes into production	• Commercial CBM production from at least one CBM project
Stimulate investor interest in B.C.'s alternative energy sectors.	• Increase in investment in B.C.'s alternative energy sector	• Develop a baseline measure of investment in B.C.'s alternative energy sector	• Achieve a 10% increase in investment in B.C.'s alternative energy sector over the established baseline	• Achieve an additional 10% increase in investment in B.C.'s alternative energy sector over the established baseline
Increase mining exploration and development activity.	• Increase B.C.'s share of national exploration expenditures from its current level of 8% to 10% by 2004/2005 • Realize $300 million in capital investment in new or existing mines in B.C. by 2004/2005	• Maintain B.C.'s share of national exploration expenditures at 8% • Achieve $50 million in capital investment	• Increase B.C.'s share of national exploration expenditures to 9% • Achieve $100 million in capital investment	• Increase B.C.'s share of national exploration expenditures to 10% • Achieve $150 million worth of capital investment
Implement components of government's energy policy pertaining to electricity.	• To be determined	• To be determined	• To be determined	• To be determined

Goal #2: To Maintain High Environmental and Health and Safety Standards.				
Objectives	**Performance Measures**	**Performance Target 2002-2003**	**Performance Target 2003-2004**	**Performance Target 2004-2005**
Maintain high environmental and health and safety standards.	• Maintain mining as the safest heavy industry in B.C.	• Accident frequency rate of 2.5 or less. (accidents requiring medical attention X 200,000 hours/ total number of hours worked)	• Accident frequency rate of 2.5 or less.	• Accident frequency rate of 2.5 or less.

Goal #3: To be a Responsive, Adaptable and Accountable Organization				
Objectives	**Performance Measures**	**Performance Target 2002-2003**	**Performance Target 2003-2004**	**Performance Target 2004-2005**
Implement a responsive, accountable and adaptable organization.	• Implement new organizational structure.	• Attain Treasury Board approval for implementation of new organizational structure. • Commence implementation of new structure.	• Complete implementation of new structure.	• N/A

D. Links to Government's Priorities

9. Government Priorities

The following table identifies the government's priorities for which the ministry is responsible, and describes the current status of each priority.

New Era Promises	
Government Priority	**Comments**
• Oppose the Sumas 2 power project and phase out Burrard Thermal.	The Province, lead by the Ministry of Water, Land and Air Protection, is an intervenor in the review of the Sumas 2 power project, currently being completed by the Washington State Energy Facilities and Siting Commission. The role of the Burrard Thermal generation station is being considered as part of the energy policy review currently under way.
• With Core review, protect BC Hydro and all its core assets, including dams, reservoirs and power lines under public ownership.	Government is currently developing an energy policy that will address the role of various players including BC Hydro in the electricity sector. An announcement on the policy is expected in 2002.
• Restore an independent B.C. Utilities Commission to regulate BC Hydro's electricity rates.	In summer 2001, the BC Hydro rate freeze was extended by 18 months to allow time to develop an energy policy and complete the core reviews of BC Hydro and the Ministry of Energy and Mines. Government's intention for electric utility service provided by Crown entities are to be subject to arms length rate review by an independent regulatory commission.
• Maintain the longstanding ban on bulk water exports.	This is the responsibility of the Ministry of Water, Land and Air Protection.
• Encourage mineral exploration.	In order to have a healthy, sustainable mining industry in British Columbia, it is essential that the mineral exploration industry be robust. Estimates are that $100 million in exploration are required to find a new mine. The ministry will enhance mineral exploration in British Columbia by reducing the regulatory requirements for sub-bulk sample level exploration projects, refocusing geoscience programs and ensuring a competitive tax and regulatory regime.
• Consider the Northern Development Commissioner's report on offshore oil and gas.	The Northern Development Commissioner's report was submitted to government on July 5, 2001. Government declined to adopt the report's recommendations concerning a public consultation process. On July 10, 2001, the Premier announced that the Northern Caucus would consult with northern residents and community leaders regarding a range of issues including the Commissioner's report on offshore oil and gas. The Northern Caucus will hold meetings in late November and early December in key north coast communities. The ministry provided the Northern Caucus background information, planning assistance and other support. The Caucus' findings were submitted in a report on January 15, 2002 and are currently under review. In October 2001, the government also appointed a three-member scientific panel to review offshore oil and gas development. The panel also submitted a report on January 15, 2002.

***New Era* Promises** *(continued)*	
Government Priority	**Comments**
• Promote clean and renewable alternative energy sources like wind, thermal, solar, tidal biomass and fuel cell technologies.	Alternative energy development is a key component of the work of the government's Energy Policy Task Force. In addition, the ministry is developing initiatives to stimulate investor interest in B.C.'s alternative energy sectors. BC Hydro recently announced it will begin wind energy research in the next 18 months with the Axor Group from Quebec, and it also expects to announce shortly a locale for wave power research either at Ucluelet or Winter Harbour.
Key Projects — Set Out in the Premier's Letter to the Minister (June 25, 2001)	
Government Priority	
• Develop an energy policy that balances the role our energy resources can play in the economic development of the province with the export and revenue opportunities these resources represent. The policy addresses issues related to the regulatory environment and government stewardship.	The government launched an Energy Policy Task Force on August 21, 2001 to develop a comprehensive, long-term energy policy for B.C. Among the issues the task force will consider are the demand/supply balance for energy, the outlook for energy infrastructure requirements for the next decade; accountability; competitiveness; and environmental issues. The task force is expected to report by mid March.
• Examine opportunities to further improve efficiency of the Oil and Gas Commission.	The ministry and OCG have undertaken reviews of OGC processes through the Deregulation Initiative and the Core Services Review process. The ministry's approved 30-day deregulation submission includes several specific regulatory requirements that will be eliminated to improve efficiency. In addition, the ministry has identified further regulatory impediments that will be eliminated in the coming months.
• Review the offshore oil report prepared by the Northern Development Commission and make recommendations, in conjunction with the Ministry of Water, Land and Air Protection and the Ministry of Sustainable Resource Management.	In October 2001, the ministry contracted with Jacques Whitford Environment Ltd. to undertake a review of current technology related to offshore oil and gas. MSRM and MWLAP participated in the assessment of proposals and in the review of the draft report. The final Whitford report, released on October 23, 2001, concluded that offshore exploration could occur without unacceptable risk to the environment.
• Funding for Power for Jobs has been frozen; review and make recommendations regarding reallocation of the funding.	The Power for Jobs program has been frozen and government is currently considering next steps. Revenues from the sale of the Columbia River Downstream Benefits currently flow to general revenue; therefore, there are no reallocation issues to be considered at this time.
• Participate actively in supporting the success of the Ministry of Sustainable Resource Management.	The ministry works with MSRM in a variety of areas including strategic land use planning, First Nations issues (interim measures, consultation processes, etc.), environmental assessment, land access issues and tenuring. The Deputy Minister of MEM is a member of the Deputy Minister's Committee on Natural Resources and the Economy.
Deregulation	
Government Priority	**Comments**
• Cut unnecessary red tape by one-third over the next three years.	The ministry has actively participated in all aspects of government's deregulation initiatives. Specifically, the ministry identified some 21 candidate regulatory requirements for elimination as part of the 30 day deregulation submissions. Ten of these requirements have been accepted. In addition, on October 1, 2001 the ministry submitted its "regulatory count" which identified a total of 19,083 regulatory requirements by ministry legislation, regulations or policy.

E. Resource Summary

10. Resource Linkage — Budget and FTE Allocation

This section provides information on the ministry's budget and full-time equivalent staff (FTE) allocation, and provides high level overviews of its information technology resource plan, and human resources plan.

The Resource Expenditure Summary reflects the allocation of FTEs and program budgets.

Core Business	Restated Estimates 2001/02 ($000)	2002/03 Estimates ($000)	2003/04 Plan ($000)	2004/05 Plan ($000)
Operating Expenditures ($000)				
1. New Ventures	4 546	4 023	3 403	3 083
2. Energy and Minerals	16 239	12 990	9 795	6 650
3. Resource Development	3 664	3 664	3 664	3 664
4. Corporate Services	3 463	3 404	3 432	3 227
Minister's Office	498	498	498	498
Columbia Basin Trust	2 000	2 000	2 000	2 000
BC Utilities Commission	1	1	1	1
Resource Revenue Sharing Agreements	2 500	2 500	2 500	2 500
VIGAS - Special Account	1 001	214	0	0
VIGAS - Agreements (statutory)	33 200	20 850	19 740	18 560
Total*	**67,112**	**50,144**	**45,033**	**40,183**
FTEs				
1. New Ventures	14	13	12	9
2. Energy and Minerals	180	144	110	82
3. Resource Development	43	43	43	43
4. Corporate Services	12	12	9	9
Minister's Office	5	5	5	5
Columbia Basin Trust	0	0	0	0
BC Utilities Commission	26	26	26	26
Resource Revenue Sharing Agreements	0	0	0	0
VIGAS - Special Account	0	0	0	0
VIGAS - Agreements (statutory)	0	0	0	0
Total*	**280**	**243**	**205**	**174**
Capital (Consolidated Revenue Fund) ($000)				
1. New Ventures	147	342	342	342
2. Energy and Minerals	758	465	430	415
3. Resource Development	44	80	80	80
4. Corporate Services	13	85	75	65
BC Utilities Commission	32	30	30	30
Total	**994**	**1,002**	**957**	**932**
Financing Transactions ($000)				
Columbia Basin Accord	50 000	50 000	50 000	50 000

Significant expenditures associated with the Columbia Basin Trust, Resource Revenue Sharing Agreement and Vancouver Island Gas Pipeline Agreement are outside of the ministry's core businesses and do not have performance targets associated with them. This is because these expenditures are made in accordance with agreements that are largely outside the ministry's control and influence. For instance, $2 million is paid in accordance with an agreement with the Columbia Basin Trust to assist it with expenditures. Resource Revenue Sharing payments are made to First Nations to share revenue received from petroleum, natural gas and mineral extraction under a federal/provincial agreement and agreements with First Nations. Payments to Vancouver Island Natural Gas Pipeline (VIGAS) are made to satisfy the requirements of the VIGAS agreement.

Information Technology

Introduction

The current technology environment, which is shared with the Ministry of Competition, Science and Enterprise, is based on Windows 2000 or NT platform using the MS Office 95 suite for standard tools. Various specialized platforms are used for specific business related applications. For example, a mixture of UNIX and NT graphics workstations run Geographical Information System (GIS) applications, and Oracle Rdb/Powerhouse is used for petroleum operational, engineering and financial systems.

Future Technology Environment

A number of initiatives are being planned to enhance British Columbia's competitiveness and its relative attractiveness as a resource investment location. These include developing e-commerce Web-based applications to streamline the regulatory process, reduce the time lapse between permit applications and permit approval and enhance tenure administration. Some of the technology infrastructure development will occur in conjunction with Web-based initiatives being developed by the Ministry of Sustainable Resource Management. Now that the Core Services Review is complete, details of specific projects, timeframes for completion and cost information can be finalized.

Human Resources

Below is a high level overview of the ministry's human resource management plan.

Goal	Objective	Strategy	Performance Measures, Outcomes, Indicators
Human Resource Management Services: Provide timely and relevant human resource management services to support the ministry's mandate and ensure consistency with government-wide standards.	Ensure human resource management is consistent with best practices and ensures the ministry has the human resources it needs to achieve its mandate.	Provide the full spectrum of human resource management services.	• Provide same day responses to human resources related inquiries 100% of the time. • Achieve a satisfaction rating among managers receiving human resource services of 90%.
Workforce Adjustment: Ensure redundant and surplus positions are identified and people affected are treated with fairness, consideration and due process.	Implement the workforce adjustment implications of budget reductions.	• Identify redundant and surplus positions. • Identify the succession planning implications due to early retirement and employee movement. • Complete the workforce adjustment process.	Reduce salary and benefits expenditures by 33% of the previous year's fiscal budget.
Performance Management: Provide clear expectations and goals for every employee.	Ensure every employee understands their ministry and branch plans and develops personal objectives in support of these.	Use a performance management system that monitors and documents employee performance and provides opportunities to develop or enhance employee performance.	• 100% of employees have an annual performance plan and review by March 31 of each year. • 100% of branches complete learning plans by March 31 of each year.